



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

March 15, 1999

CERTIFIED RETURN RECEIPT
P 074 976 676

Ronald Bosshardt
Redmond Clay and Salt Co., Inc.
6005 North 100 West
Redmond, Utah 84652

Re: Replacement Surety, Redmond Clay and Salt, Co., South RCR Salt Mine, M/039/002, Sanpete County, Utah

Dear Mr. Bosshardt:

On March 5, 1999, the Division received a replacement surety in the form of a Letter of Credit (LOC) No. 8957 from Zions Bank in the amount of \$228,000. The surety replaces LOC No. 25-16255-7 issued by Utah Independent Bank in the amount of \$228,100, which terminated February 28, 1999. When the Division finalizes the review of your Large Mining permit application for this project, this surety amount may need to be adjusted to reflect the final reclamation cost estimate.

A copy of the replacement surety is enclosed for your records. We have also enclosed a blank Reclamation Contract (Form MR-RC), with guidelines for completion. You will eventually need to complete and return this form to us showing all pertinent information. Please return a *draft* copy of the completed Reclamation Contract form once we notify you that we are prepared to issue our tentative approval of the large mining operations. We will review the draft form for accuracy and completeness and notify you of any necessary changes before it is finalized, signed and notarized. The old Reclamation Contract form received December 6, 1991 was never formally finalized, therefore it is being returned for your disposal.

Also enclosed, for your disposal, are three original LOC's with accompanying letters issued by Utah Independent Bank received on December 7, 1992 and January 29, 1993 respectively. Thank you for your help in finalizing this surety issue. If you have any questions regarding this letter, please contact me, Tony Gallegos, or Joelle Burns at (801) 538-5286, 538-5267 or 538-5291 respectively.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosures: copy of replacement surety #8957; Form MR-RC;

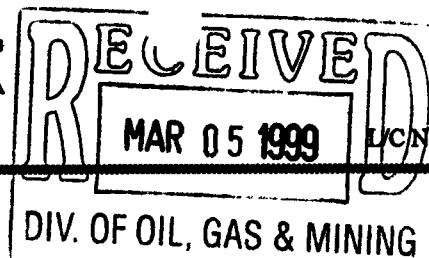
3 original LOC's #25-16255-7

cc: Mike Shaw, Utah Independent Bank

ZIONS BANK

Established in 1873

INTERNATIONAL BANKING
One South Main
Salt Lake City, Utah 84111 USA
Telephone: (801) 524-4916
Fax: (801) 322-5931



March 3, 1999

IRREVOCABLE LETTER OF CREDIT NO. 1

BENEFICIARY:

UTAH DIVISION OF OIL, GAS AND MINING
("DIVISION")
1594 WEST NORTH TEMPLE
SUITE 1210, PO BOX 145801
SALT LAKE CITY, UTAH 84114-5801

EXPIRATION:

March 1, 2000 or any automatically extended date as
herein below set forth
SALT LAKE CITY, UTAH
AMOUNT: USD228,000.00

Dear Sir/Madam:

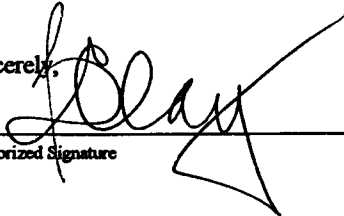
At the request of REDMOND MINERALS, INC., ("OPERATOR") P.O. BOX 249, REDMOND, UTAH 84652, Zions First National Bank ("Surety") hereby establishes our Irrevocable Letter of Credit in your favor up to an aggregate amount of Two Hundred Twenty-Eight Thousand United States Dollars (USD 228,000.00) to expire at our counters on March 1, 2000 or any automatically extended date as below set forth.

1. THIS LETTER OF CREDIT WILL EXPIRE UPON THE FIRST EVENT SET FORTH AS FOLLOWS: (a) 5:00 O'CLOCK P.M. (SALT LAKE CITY TIME) ON 1 MARCH 2000 OR (b) THE DATE UPON WHICH SUFFICIENT DOCUMENTS ARE EXECUTED BY THE DIVISION TO RELEASE REDMOND MINERALS, INC. OPERATOR FROM FURTHER LIABILITY FOR RECLAMATION OF THE REDMOND CLAY AND SALT MINE, NO. M/039/002 WITH NOTICE TO BANK OR SURETY BY THE DIVISION ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT WITH DIRECTIONS FOR CANCELLATION.
2. THIS LETTER OF CREDIT WILL BE AUTOMATICALLY EXTENDED FOR SUCCESSIVE PERIODS OF ONE YEAR FROM THE CURRENT OR ANY FUTURE EXPIRATION DATE UNLESS THE SURETY GIVES NOTICE TO THE DIVISION 90 DAYS PRIOR TO THE EXPIRATION DATE THAT THE SURETY ELECTS NOT TO RENEW THE LETTER OF CREDIT.
3. FUNDS UNDER THE LETTER OF CREDIT ARE AVAILABLE AGAINST THE DIVISION'S SIGHT DRAFT, IN THE FORM OF EXHIBIT A, SPECIFYING LETTER OF CREDIT NO. 8957 DELIVERED TO THE OFFICE OF THE SURETY, ONE SOUTH MAIN STREET, SALT LAKE CITY, UTAH 84111. AT THE DIVISION'S SOLE ELECTION, THE DIVISION MAY PRESENT SIGHT DRAFTS FOR LESS THAN THE FACE AMOUNT SO LONG AS THE AGGREGATE AMOUNT OF ALL SIGHT DRAFTS DOES NOT EXCEED THE FACE AMOUNT. EACH DRAFT MUST BE ACCOMPANIED BY A CERTIFICATE IN THE FORM OF EXHIBIT B, SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE DIVISION.
4. IF THE SURETY RECEIVES THE DIVISION'S SIGHT DRAFT(S) AND CERTIFICATE(S) AS PROVIDED IN PARAGRAPH NO.3 ABOVE ON OR BEFORE THE EXPIRATION OR TERMINATION OF THIS LETTER OF CREDIT, THE SURETY WILL MAKE SUCH AMOUNT AS THE DIVISION MAY SPECIFY, WITHIN THE LIMITS OF THE SECOND SENTENCE OF PARAGRAPH NO. 3 OF THIS LETTER OF CREDIT, AVAILABLE TO THE DIVISION NO LATER THAN THE CLOSE OF BUSINESS, SALT LAKE CITY TIME, ON THE SECOND BUSINESS DAY FOLLOWING THE SURETY'S RECEIPT OF THE SIGHT DRAFT AND CERTIFICATE AND IN SUCH A MANNER AS THE DIVISION MAY SPECIFY.
5. THE SURETY WILL GIVE PROMPT NOTICE TO THE OPERATOR AND TO THE DIVISION DIRECTOR OF ANY NOTICE RECEIVED OR ACTION FILED ALLEGING THE INSOLVENCY OR BANKRUPTCY OF THE SURETY, OR ALLEGING ANY VIOLATIONS OF REGULATORY REQUIREMENTS WHICH COULD RESULT IN SUSPENSION OR REVOCATION OF THE SURETY'S CHARTER OR LICENSE TO DO BUSINESS.

6. THE LETTER OF CREDIT WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH AND SHALL BE SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDIT, 1993 REVISION, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500, AS THE SAME MAY BE AMENDED AND IN EFFECT FROM TIME TO TIME (UCP) IN THE EVENT OF A CONFLICT BETWEEN UTAH LAW AND THE UCP, UTAH LAW SHALL GOVERN.

7. ALL COMMUNICATIONS REGARDING THIS LETTER OF CREDIT WILL BE ADDRESSED TO THE SURETY, ONE SOUTH MAIN STREET, SALT LAKE CITY, UTAH 84111, REFERENCING LETTER OF CREDIT NO

We hereby agree with drawers, endorsers and bona fide holders that all draft(s) drawn under and in compliance with the terms of this letter of credit will be honored upon presentation and delivery of documents to us as specified herein.
This credit is subject to the Uniform Customs and Practices for Documentary Credits, 1993 revision, International Chamber of Commerce Publication No. 500.

Sincerely,


Authorized Signature

EXHIBIT B

to
Letter of Credit Number _____

I, _____ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$ _____, by sight draft accompanying this certificate, under Letter of Credit No. _____ dated _____ issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the Utah Board of Oil, Gas and Mining, after notice and hearing, has entered an Order which has not been stayed, ordering forfeiture of Letter of Credit No. _____. In accordance with applicable law. Proceeds of this drawing will be utilized in full to pay the expenses relating to the reclamation liability, together with the costs of collection, including attorneys fees, for the _____ [mine] _____ and _____ [mine permit #] _____

The Utah Division of Oil, Gas and Mining

By: _____

Authorized Signature

Date: _____

EXHIBIT A - SIGHT DRAFT
to
Letter of Credit Number _____

Date City, County Letter of Credit No.

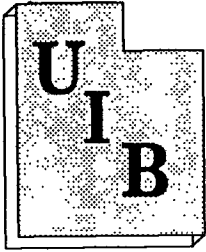
PAY TO THE ORDER OF: _____ Utah Division of Oil, Gas and Mining

Dollars.

TO: (Name of Bank or Surety)
and
(Address)

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

By: _____
Authorized Signature



**UTAH
INDEPENDENT
BANK**

55 South State
Salina, Utah 84654
Phone (801)529-7459

December 4, 1992

*Returned to
operator 3-17-99*

Utah Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Gentlemen and Ladies:

Please find enclosed a copy of the original Letter of Credit on Redmond Clay & Salt Co., Inc. Also enclosed is a corrected Letter of Credit on Redmond Clay & Salt Co., Inc. The original Letter of Credit quotes the amount of the Letter of Credit as \$228,100.00, which should be \$226,000.00. This has been corrected on the revised Letter of Credit.

We are sorry for the discrepancy, and also for the length of time it took to find it. If you have any questions regarding this, please feel free to contact me.

Sincerely,

Brent R. White
Vice President

BRW/lc

encs.

cc.

RECEIVED

DEC 07 1992

DIVISION OF
OIL GAS & MINING



UTAH INDEPENDENT BANK

Box 1
55 South State
Salina, Utah 84654
Phone: (801) 529-7459

Letter of Credit No.:
November 27, 1991

Utah Independent Bank
November 30, 1992

Utah Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

*Returned to
operator 3-17-99*

Gentlemen and Ladies:

1. Utah Independent Bank, Salina, Utah, hereby establishes this irrevocable Letter of Credit in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not to exceed \$226,000.00 in United States dollars effective immediately.

2. This Letter of Credit will expire upon the earlier to occur of (a) 5:00 o'clock p.m. (Salt Lake City time) on November 30, 1992 and (b) the date upon which documents are executed pursuant to which the Division releases Redmond Clay & Salt Co., Inc. from liability for reclamation of the Redmond Clay & Salt mines, no. M/039/002.

3. The Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless the Utah Independent Bank gives notice to the Division 90 days prior to the expiration date that the Utah Independent Bank elects not to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. _____, delivered to the office of the Utah Independent Bank, 55 South State Street, Salina, Utah. At the Division's sole election, the Division may present sight drafts for less than the face amount so long as the aggregate amount of all sight drafts does not exceed the face amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If the Utah Independent Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or

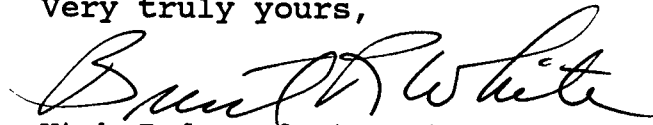
termination date of this Letter of Credit, the Utah Independent Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No.4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Utah Independent Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify.

6. The Utah Independent Bank will give prompt notice to Redmond Clay & Salt Co., Inc. and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Utah Independent Bank, or alleging any violation of the Utah Independent Banks charter or license to do business.

7. The Letter of Credit will be governed by laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1983 revision, International Chamber of Commerce Publication No. 400, as the same may be amended and in effect from time to time ("Ucp"). In the event of a conflict between Utah law and the UCP, Utah Law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Utah Independent Bank, 55 South State Street, Salina, Utah, referencing Letter of Credit No. 25-16255-7.

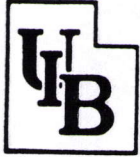
Very truly yours,


Utah Independent Bank

By
Brent R. White,
Vice President

BRW/lc

cc. Redmond Clay & Salt Co., Inc.
file



UTAH INDEPENDENT BANK

Box 1
55 South State
Salina, Utah 84654
Phone: (801) 529-7459

Letter of Credit No.:
November 27, 1991

Utah Independent Bank
November 30, 1992

*Returned to
operator 3-17-99*

Utah Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Gentlemen and Ladies:

1. Utah Independent Bank, Salina, Utah, hereby establishes this irrevocable letter of credit in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not to exceed \$228,100.00 in United States dollars effective immediately.

2. This Letter of Credit will expire upon the earlier to occur of (a) 5:00 o'clock p.m. (Salt Lake City time) on November 30, 1992 and (b) the date upon which documents are executed pursuant to which the Division releases Redmond Clay & Salt Co., Inc. from liability for reclamation of the Redmond Clay & Salt mines, no. M/039/002.

3. The Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless the Utah Independent Bank gives notice to the Division 90 days prior to the expiration date that the Utah Independent Bank elects not to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. 25-16255-7 delivered to the office of the Utah Independent Bank, 55 South State Street, Salina, Utah. At the Division's sole election, the Division may present sight drafts for less than the face amount so long as the aggregate amount of all sight drafts does not exceed the face amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If the Utah Independent Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or termination date of this Letter of Credit, the Utah Independent Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Utah Independent Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify.

6. The Utah Independent Bank will give prompt notice to Redmond Clay & Salt Co., Inc., and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Utah Independent Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Utah Independent Banks charter or license to do

business.

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1983 revision, International Chamber of Commerce Publication No. 400, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah Law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Utah Independent Bank, 55 South State Street, Salina, Utah, referencing Letter of Credit No.

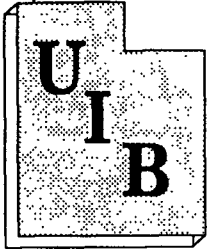
Very truly yours,

Utah Independent Bank

By *Mike Shaw*
Mike Shaw - Vice President

MWS/lc

cc. Redmond Clay & Salt Co.
file



**UTAH
INDEPENDENT
BANK**

RECEIVED

JAN 29 1993

DIVISION OF
OIL GAS & MINING

55 South State
Salina, Utah 84654
Phone (801)529-7459

M/039/002

January 26, 1993

- ORIGINAL -
IN BOND FILE

*Returned to
operator 3-17-99*

Utah Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Attention: D. Wayne Headburg

RE: Redmond Clay & Salt Co., Inc.

Dear Mr. Headburg,

Please find enclosed a corrected Letter of Credit on Redmond Clay & Salt Co., Inc. that we discussed on the telephone. This Letter of Credit supersedes all previously issued Letters of Credit regarding the above mentioned account.

If additional information is needed, please feel free to contact me.

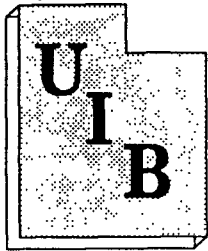
Thank you,

Brent R. White
Vice President

BRW/lc

enc.

cc.



**UTAH
INDEPENDENT
BANK**

RECEIVED

JAN 29 1993

**DIVISION OF
OIL, GAS & MINING**

55 South State
Salina, Utah 84654
Phone (801)529-7459

Letter of Credit No. _____
November 27, 1991

Utah Independent Bank
November 30, 1992

*Returned to
operator 3-17-99*

Utah Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Gentlemen and Ladies:

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2. This Letter of Credit will expire upon the earlier to occur of (a) 5:00 o'clock p.m. (Salt Lake City time) on November 30, 1992 and (b) the date upon which documents are executed pursuant to which the Division releases Redmond Clay & Salt Co., Inc. from liability for reclamation of the Redmond Clay & Salt mines, no. M/039/002.

3. The Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless the Utah Independent Bank gives notice to the Division 90 days prior to the expiration date that the Utah Independent Bank elects not to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. _____ delivered to the office of the Utah Independent Bank, 55 South State Street, Salina, Utah. At the Division's sole election, the Division may present sight drafts for less than the face amount so long as the aggregate amount of all sight drafts does not exceed the face amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If the Utah Independent Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or termination date of this Letter of Credit, Utah Independent Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Utah independent Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify.

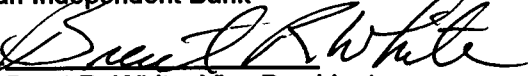
6. The Utah independent Bank will give prompt notice to Redmond Clay & Salt Co., Inc., and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Utah Independent Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Utah Independent Banks charter or license to do business.

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1983 revision, International Chamber of Commerce Publication No. 400, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah Law and the UCP, Utah Law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Utah Independent Bank, 55 South State Street, Salina, Utah, referencing Letter of Credit No.:

Very truly yours,

Utah Independent Bank

By 
Brent R. White, Vice President

BRW/lc

cc: Redmond Clay & Salt Co.
file

Effective Date ~~3-17-99~~

VOID

ES

Returned to
operator 3-17-99

DIVISION OF OIL GAS & MINING

"OPERATOR'S REGISTERED AGENT":

(Name)
(Address)

Utah Independent Bank
55 S. State
Salina, Utah 84654

(Phone)

801-529-7459

"OPERATOR'S OFFICER(S)":

Ronald Bosshardt - Pres.
Neal Bosshardt - Secr
Jay Bosshardt - Treasure

"SURETY":

(Form of Surety - Exhibit B)

Bank Letter of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Utah Independent Bank

"SURETY AMOUNT":

(Escalated Dollars)

\$228,100.00

"ESCALATION YEAR":

1996

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

Revision Dates:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Redmond Clay & Salt the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/039/002 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Exhibit B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections

are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.

13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this _____ day of _____, 19____.

Neal E. Bosshardt
Operator Redmond Clay & Salt Co., Inc.

*not
dated by
operator*

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY _____
James W. Carter, Chairman
Utah State Board of Oil, Gas and Mining

RECEIVED
MAR 11 1992
DIVISION OF
OIL GAS & MINING

13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 30th day of November, 1991.

REDMOND CLAY & SALT CO. INC.

Operator

← BLANK DATE

— ✓ SIGNATURE
ON LINE
OPERATOR - REDMOND CLAY
& SALT
(TYPED ?)

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY

James W. Carter, Chairman
Utah State Board of Oil, Gas and Mining

new
page sent
to operator
3/6/92

DIVISION OF OIL, GAS AND MINING:

By _____
Dianne R. Nielson, Director

Date

STATE OF _____)
COUNTY OF _____) ss:

On the _____ day of _____, 19 _____, personally
appeared before me, who being duly sworn did say that he/she, the said
_____ is the Director of the Division of Oil,
Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly
acknowledge to me that he/she executed the foregoing document by authority of law
on behalf of the State of Utah.

Notary Public
Residing at: _____

My Commission Expires:

OPERATOR:

Redmond Clay & Salt Co. Inc.
Operator Name

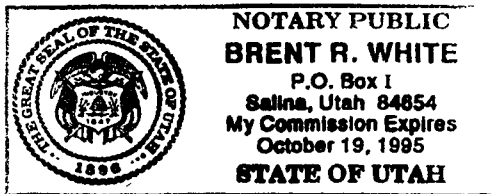
By President
Corporate Officer - Position

December 2, 1991
Date

Ronald L. Bosshardt
Signature

STATE OF Utah)
COUNTY OF Sevier) ss:

On the 2nd day of December, 19 91, personally
appeared before me Ronald L. Bosshardt who
being by me duly sworn, did say that he/she, the said Ronald L. Bosshardt
is the President of Redmond Clay & Salt Co. Inc.
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Ronald L. Bosshardt duly acknowledged to me that said
company executed the same.



Brent R. White
Notary Public
Residing at: Elgin

10-19-91
My Commission Expires:

SURETY:

UTAH INDEPENDENT BANK
By Mike Shaw, Cashier
Surety Company

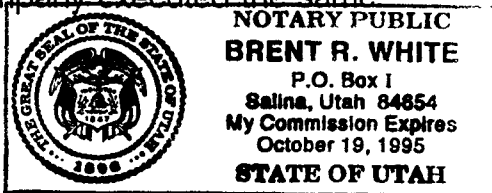
By Cashier
Company Officer - Position

12-2-91
Date

Mike Shaw, Cashier
Signature

STATE OF Utah)
COUNTY OF Sevier) ss:

On the 2nd day of December, 19 91, personally
appeared before me Mike Shaw who
being by me duly sworn did say that he/she, the said Mike Shaw
is the Cashier of Utah Independent Bank
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Mike Shaw duly acknowledged to me that said
company executed the same



Brent R White
Notary Public
Residing at: Elmore

10-19-95
My Commission Expires:

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

ATTACHMENT "A"

Redmond Clay & Salt Co., Inc.
Operator

Redmond Clay & Salt
Mine Name

M/039/002
Permit Number

Sevier/Sanpete County, Utah

The legal description of lands to be disturbed is:

A. North half of the N.W. Qrt of the N.W. Qrt of Sec. 25

B. N.W. Qrt of the N.W. Qrt of Sec. 24

and the north half of the S.W. Qrt of the N.W. QRT of
sec. 24.

and the south half of the S.W. Qrt of the S.W. Qrt of
sec. 24

(Approximately 100 acres all in township 20, south range 1 west
Salt Lake Base and Meridian)

